

it has to be determined by the rough approximate notions—called comprehensively "common sense"—which persons have gained by practical observation of what constitutes fair, and ordinarily careful, usage (here, again, we must introduce vague words like "fair"), and usage which is violent and unusual. The interpretation of these terms in business, or operations of a special nature demands, of course, this native common sense, conjoined with skill and knowledge appropriate to the business or operations concerned.

The several criteria to be applied to a company prior to selection, which we have specified, appear to express an ideal condition.

This is true; but it is the well-founded boast of British trade, commerce and finance, that so preponderant a proportion of our undertakings virtually satisfy them all so that gradually the history of a particular company grows and becomes consolidated in the business mind into what may be termed "general reputation," by which we are ordinarily guided in our judgments, without the necessity of minute investigation.

Breweries, mines, shipping, telegraphs, iron, coal and steel. Many sound investments may be discovered here; prosperity, of course, depends largely upon the vicissitudes of home and foreign trade; and in the case of breweries, upon disastrous competition between themselves; the consequent unproductive creation of capital; the possibilities of restrictive legislation and the changes in popular habits of life and social views. The ordinary investor is advised to omit all these undertakings from his list; they require for a just discrimination too special a knowledge and vigilance of oversight for him to command.

In companies largely or exclusively dependent upon particular social demands, or the requirement of certain articles or manufactures, a difficulty in judgment arises which claims examination in respect of (1) the public fashion or need changing or becoming modified whereby the demand for such commodities is affected; and (2) the possibility, if such an event occur, of additional capital requirements (which

will tend to reduce the value of the existing capital invested) for adapting the machinery and processes (or completely changing them) in adjustment to the altered character of the demand.